



Fact Sheet

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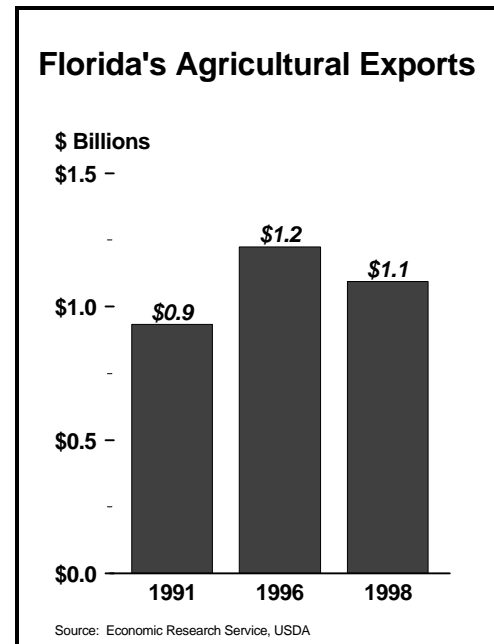
Permanent Normal Trade Relations with China **What's at Stake for Florida?**

Florida produces and exports agricultural, wood, and fishery products. In 1998, Florida's farm cash receipts and commercial fish landings totaled \$6.2 billion and \$189 million, respectively. Forest industry shipments were \$2.1 billion in 1996. As for exports, Florida ranked 17th among all 50 states, with the value of agricultural products leaving the state estimated at \$1.1 billion in 1998. These exports help boost farm prices and income, while supporting jobs both on the farm and off the farm in food processing, storage, and transportation.

Trade Benefits

The following key products are important to Florida, and expected to reap some of the largest agricultural export gains from China's accession to the World Trade Organization (WTO).

- # **Fruits**--As the leading citrus-growing state, Florida's fresh and processed fruit exports worldwide were estimated at \$559 million in 1998. Under its WTO accession agreement, China will reduce tariffs by 70 percent on fresh citrus fruit by 2004 as tariffs of 40 percent on oranges, grapefruit, and lemons will drop to 12 percent. In addition, as a result of the 1999 U.S.-China bilateral agreement, China committed to lifting its import ban on citrus from this state. Tariff reductions of up to 57 percent are scheduled for key citrus and other fruit juices. For fresh and processed deciduous fruit, tariff reductions of up to 75 percent are scheduled. Tariffs on pears, fresh and canned peaches, and jams and jellies will fall from 30 percent to 10 percent.
- # **Vegetables**--Florida is a leading grower of many vegetables, with fresh and processed vegetable exports worldwide estimated at \$112 million in 1998. Under its WTO accession agreement, China's tariffs on vegetables will drop up to 60 percent, depending on the product, by 2004. For example, existing tariffs of 16 percent on lettuce and 13 percent on broccoli, celery, frozen sweet corn, and mixed vegetables will fall to 10 percent. Tariffs on canned tomato paste will fall from 25 percent to 20 percent. Deeper cuts are planned for canned sweet corn and tomato ketchup. Tariffs on these products, now set at 25 percent and 30 percent, will fall to 10 percent and 15 percent, respectively.
- # **Poultry Meat**--As an important poultry-producing state, Florida's poultry and product exports worldwide were estimated at \$47 million in 1998. With imports accounting for 12 percent of total consumption, China is already the second leading market for U.S. poultry exports. Under its WTO accession agreement, China will cut its tariff in half (from 20 percent to 10 percent) by



2004 for frozen poultry cuts. There will be no quantity limits at these tariff levels. As a result of the 1999 U.S.-China bilateral agreement, China agreed to accept all poultry meat from the United States that is certified wholesome by USDA.

- # **Solid Wood Products**--Florida's lumber industry is important to its economy. Under its WTO accession agreement, China will substantially reduce its remaining tariffs on value-added wood products by 2004. Tariffs on plywood will drop from 15 percent to 4 percent. Existing tariffs set at 18 percent on particleboard, oriented strandboard, doors, windows, and flooring will drop to 4 percent, and fiberboard tariffs, currently ranging from 12-18 percent, will drop to 4-7.5 percent.